



Committee on Public & Government Financial Management



**The Institute of
Chartered Accountants of India**
(Set up by an Act of Parliament)

MESSAGES



CA. Aniket Sunil Talat
President, ICAI

The information generated by the Government Accounting & Financial reporting System is used to make financial and policy decisions at all levels of Government. Hence, there is a need that a robust technological based Accounting & Financial reporting System duly supported by strong governance and high-quality standards should be adopted for stable economic growth and financial prosperity. The Institute of Chartered Accountants of India (ICAI) through its Committee on Public & Government Financial Management (CPGFM) on regular basis providing support to improve the accounting, financial reporting and management system in all tiers of Government including Local Bodies through several means like capacity building endeavours, formulating Accounting Standards for Local Bodies based on international benchmark Government Accounting Standards, and providing assistance in adopting accounting reforms, etc.



CA. Ranjeet Kumar Agarwal
Vice-President, ICAI

Effective Financial Reporting is crucial towards ensuring transparency and increasing accountability in management of public funds for the benefit of citizens. The Institute of Chartered Accountants of India (ICAI), through its Committee on Public and Government Financial Management (CP&GFM) focuses on capacity building of the finance officials of various tiers of Government in India apart from formulating Accounting Standards for Local Bodies (ASLBs). The Committee strives to assist Central and State Governments and Local Bodies in successful implementation of the accounting reforms and public finance management.

In addition, the committee provides technical inputs to C&AG, GASAB, CGA, RBI, SEBI, CBDT, CBEC, IRDA, Ministry of Finance, Ministry of Railways, Municipal Corporations, Department of Post and Telecommunications etc in India and internationally on the documents of IPSASB from time to time.

MESSAGES



CA. Kamisha Soni
Chairperson, CPGFM

The quality of financial statements impacts the quality of various finance related decisions that are made based upon the statements. Considering the amount of spending being done by the Government to revive Indian economy, post pandemic, improved financial reporting at Government level is the need of the hour. ICAI is also involved in the said accounting and financial management reform in Government (including Local Bodies). The Committee on Public and Government Financial Management (CPGFM) of ICAI organises interactions and knowledge sharing exercises with the Government organs. The Committee formulates Accounting Standards for Local Bodies (ASLBs), provides technical inputs on Government accounting related matters to the Government Accounting Standard Advisory Board (GASAB) in India and internationally, on the documents of the International Public Sector Accounting Standards (IPSAS) Board, and builds capacity of the finance officials of various tiers of Government in India by various means such as workshops, developing relevant e-training modules, etc.



CA. Prasanna Kumar D
Vice-Chairperson, CPGFM

One of the means of ensuring public accountability and transparency, whether in the case of commercial enterprises or in the case of the Government is the dissemination of relevant financial information that is often communicated through financial reports. It is also a vital ingredient of public financial management, therefore, there is need of high quality comprehensive and transparent financial reporting, good governance mechanism, auditing and public financial management system in place in Government. In the direction of improving financial reporting and financial management in Government in India, the ICAI is also taking several steps through its Committee on Public and Government Financial Management.

Profile

The Institute of Chartered Accountants of India

The Institute of Chartered Accountants of India (ICAI), established by an Act of Parliament in 1949 has proven its mark as an elite world class institution devoted to uphold the values of transparency, accountability and integrity. The Institute, functions under the administrative control of the Ministry of Corporate Affairs, Government of India. The ICAI is the largest professional body of Chartered Accountants in the world, with a strong tradition of service to the Indian economy in public interest.

The affairs of the ICAI are managed by a Council in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988. The Council constitutes of 40 members of whom 32 are elected by the Chartered Accountants and remaining 8 are nominated by the Central Government generally representing the

Comptroller and Auditor General of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Ministry of Finance and other stakeholders.

The Institute is headquartered in Delhi and has five Regional Offices and 168 branches within India and Chapters outside India. Apart from this, ICAI has 34 representative offices in 81 cities across 47 countries.

Over a period of time, the ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for maintaining highest standards in technical, ethical areas and for sustaining stringent examination and education standards. Since 1949, the profession has grown leaps and bounds in terms of members and student base.

Committee on Public & Government Financial Management

The Committee on Public & Government Financial Management (CPGFM) of ICAI strives to assist Central & State Governments and Local Bodies in successful implementation of the accounting reforms and public finance management.

The Committee primarily focuses on capacity building of the finance officials of various tiers of Government in India by varied means such as organising workshops, developing relevant e-learning modules, etc., apart from formulating Accounting Standards for Local Bodies (ASLBs). This is an initiative of ICAI to meet its social obligations by providing

professional services of CAs beyond corporate sector and to the public at large, by being true to its role of being a partner in nation building.

The Committee provides technical inputs to C & AG, GASAB, CGA, RBI, SEBI, CBDT, CBEC, IRDA, Ministry of Finance, Ministry of Railways, Municipal Corporations, Department of Post & Telecommunications, etc. in India & Internationally on the documents of IPSASB from time to time. The Committee has also organized customized training programmes / workshops for the officials of various Government departments / organisations / PSUs at Centre, State & Local level.

Proposal for Urban Local Bodies

The role and responsibilities of Local Bodies have been evolved over time and these bodies play important role in the sustainable all round economic growth of the Country. Improved financial reporting and management at the level of Local Bodies, is therefore need of the hour. Financial reporting helps in managing public funds in effective and efficient manner, sound decision-making, increasing accountability & transparency in operations and performance of Local Bodies which would ultimately help them in delivering good services to citizens, developing infrastructure and raising funds from capital market and other financial institutions.

The recommendations of Finance Commissions which linked grants with accounting reforms, also focussed on implementation of accrual accounting system in Local Bodies. To fast track the reforms, recently 15th Finance Commission

recommended online availability of unaudited annual accounts of the previous year and audited accounts for the year before previous year as an entry level condition (amongst others) to avail grant.

However, such efforts need to be augmented with capacity building initiatives to achieve sustainable reforms. In this direction, ICAI through the CPGFM hereby proposes to extend its support to Urban Local Bodies to organise training programmes for the staff of Urban Local Bodies with special reference to an '*Financial Transparency and Accountability in Urban Local Bodies*' (proposed structure available on the back).

The training programmes can be organized in English, Hindi and other languages as per the audience requirements.

Proposed Training Programme / Webinar for Staff of Urban Local Bodies

Theme of the Training	Financial Transparency and Accountability in Urban Local Bodies
Duration of the Training	One Day/Two Days
Targeted Participants	Staff associated with Finance and Accounts Sections of Urban Local Bodies
No. of Participants	Minimum 50 participants (if physical) and no limit in virtual programmes
Faculty	Faculty comprises of professional experts having relevant experience

प्रशिक्षण के लिए संभावित विषयों की सूची / LIST OF TENTATIVE TOPICS FOR THE TRAINING

SCENARIO 1: IF DOUBLE ENTRY ACCRUAL ACCOUNTING SYSTEM IS YET TO BE IMPLEMENTED

1. स्थानीय निकायों के लिए accrual accounting	1. Accrual Accounting for Local Bodies
2. ULB में लेखा और लेखा परीक्षा प्रणाली	2. Accounting and Auditing System in ULBs
3. ULBs के खातों को cash system to double entry accrual accounting system में परिवर्तित करना	3. Conversion of accounts of ULBs from cash system to double entry accrual accounting system
4. Accrual Accounting के तहत प्रारंभिक तुलन पत्र तैयार करना	4. Preparation of Opening Balance Sheet under accrual accounting system
5. लेखांकन की accrual accounting के तहत chart of accounts का पुनर्गठन	5. Restructuring of chart of accounts under accrual system of accounting
6. Double entry accrual accounting लेखा प्रणाली के कार्यान्वयन के लिए IT पैकेज का उपयोग करना	6. Implementation of double entry accrual accounting system in computerised environment

SCENARIO 2: IF DOUBLE ENTRY ACCRUAL ACCOUNTING SYSTEM HAS BEEN IMPLEMENTED

1. सीखे गए सबक और accrual लेखांकन सुधारों की स्विचरता	1. Lessons Learnt & Sustainability of Accrual Accounting Reforms
2. Accrual आधारित वित्तीय विवरणों की व्याख्या	2. Interpreting Accrual Based Financial Statements
3. ULBs में लेखापरीक्षा	3. Audit in Urban Local Bodies
4. IT वातावरण में ULBs का लेखा परीक्षण	4. Auditing ULBs in IT environment
5. भारत में आत्मनिर्भर नगर निकाय बनाना	5. Making Self-Sufficient and Self-Sustainable Municipal Bodies in India
6. स्थानीय निकायों के लिए लेखांकन मानक (ASLBs)	6. Accounting Standards for Local Bodies (ASLBs)
7. स्थानीय सरकार कराधान मामले: स्थिति और अनुपालन	7. Local Government Taxation Matters: Status and Compliances
9. स्मार्ट सिटी के लिए आगे का रास्ता और म्यूनिसिपल बॉन्ड	9. Way forward for Smart Cities and Municipal Bonds

FINANCIAL IMPLICATIONS

- In case of physical training programme, expenditure may be borne jointly by State Government/respective Urban Development Department and ICAI as suggested below:
 - Cost to be borne by ICAI:
 - TA/DA expenses of Faculty
 - Honorarium to Faculty
 - Background material for participants
 - Cost with regard to other logistic arrangements to be borne by the State Government/ respective Urban Development Department.
- In case of virtual training programme, there shall be no financial implications on State Government/ respective Urban Development Department. In that case, all the cost pertaining to platform and honorarium to faculties shall be borne by the ICAI.

Proposal for Rural Local Bodies

Economic Development of India is predominantly dependent upon rural economy as India is a rural country with its two third population and 70% workforce residing in rural areas. 73rd Constitutional Amendments Act empowered the panchayats by devolving them powers (fund, function and functionaries) for better planning, providing basic services to the citizens and implementation of schemes. Considering the quantum of funds being devolved to RLBs, it is necessary to have a robust system for effective monitoring of public expenditure by means of a holistic system capturing the entire gamut of activity from the planning to record the assets created from the expenditure. The XV Finance Commission has recommended online availability of unaudited annual accounts of the previous year and audited accounts for the year before previous year as an entry level condition to avail grants. As mentioned therein, **the expenditure required for auditing of accounts by external agencies approved by the State Government, may be borne from the 40% untied grant.**

Since various endeavors of Government have been linked to improvement in financial reporting and management in RLBs, there is a need to build capacity of their staff through training program (virtual or physical). In this direction, ICAI through CPGFM hereby proposes to extend its support to RLBs to **organise training programmes for their staff with special reference to 'E-Governance, Accounting and Auditing in Rural Local Bodies' to empower Panchayats** (proposed structure available on the back).

These capacity building programmes would be specifically structured to provide an opportunity to the participants to update their knowledge with regard to accounting and auditing system, resolving issues and challenges being faced in the e-environment (e.g., PRIASoft/ e-Gram Swaraj, Audit online) and implementation of Government schemes in rural areas.

The training programmes can be organized in English, Hindi and other languages as per the audience requirements.



Proposed Training Programme / Webinar for Staff of Rural Local Bodies

Theme of the Training	Towards Empowered Rural India/Panchayats
Duration of the Training	One Day/Two Days
Targeted Participants	Representatives/staff of Rural Local Bodies/Panchayats
No. of Participants	Minimum 50 participants (if physical) and no limit in virtual Programmes
Faculty	Faculty comprises of professional experts having relevant experience in the field of accounting and audit in Rural Local Bodies

प्रशिक्षण के लिए संभावित विषयों की सूची / LIST OF TENTATIVE TOPICS FOR THE TRAINING

SCENARIO 1: IF DOUBLE ENTRY ACCRUAL ACCOUNTING SYSTEM IS YET TO BE IMPLEMENTED

1. पंचायतों के लिए लेखांकन	1. Accounting for Panchayats
2. राज्य की पंचायतों में लेखा और लेखा परीक्षा प्रणाली	2. Accounting and Auditing System in Panchayats of respective State
3. ई-गवर्नेंस प्रणाली - सूचना और संचार प्रौद्योगिकी (ICT) के माध्यम से पंचायतों को सुदृढ़ बनाना	3. E-Governance System-Strengthening Panchayats through Information and Communication Technology (ICT)
4. पंचायतों का लेखा सॉफ्टवेयर (PRIASoft)	4. Accounting Software of Panchayats (PRIASoft)
5. ग्रामीण क्षेत्रों में सरकारी योजनाओं का प्रभावी क्रियान्वयन	5. Effective Implementation of Government schemes in rural areas
6. पंचायतों में संपत्ति प्रबंधन	6. Asset Management in Panchayats
7. माल और सेवा कर (GST)	7. Goods and Service Tax (GST)
8. स्रोत पर आयकर और कर कटौती (TDS)	8. Income Tax & Tax Deducted at Source (TDS)
9. पंचायतों को सशक्त बनाना : राजस्व में वृद्धि	9. Empowering Panchayats: Augmenting Revenue

FINANCIAL IMPLICATIONS

- In case of physical training programme, expenditure may be borne jointly by State Government/respective Panchayat or Rural Department and ICAI as suggested below:
 - Cost to be borne by ICAI:
 - TA/DA expenses of Faculty
 - Honorarium to Faculty
 - Background material for participants
 - Cost with regard to other logistic arrangements to be borne by the State Government/ respective Panchayat or Rural Department.
 - In case of virtual training programme, there shall be no financial implications on State Government/respective Panchayat or Rural Department. In that case, all the cost pertaining to platform and honorarium to faculties shall be borne by the ICAI.

Accounting Standards for Local Bodies (ASLBs)

ICAI, a partner in nation building, is involved in improvement of financial reporting and public financial management in various Government entities / departments including Local Bodies in India. However, to sustain scrutiny, accounting reforms do need a yardstick against which they can be tested.

The ICAI through CPGFM is issuing Accounting Standards for Local Bodies (ASLBs). ASLBs are based upon the International Public Sector Accounting Standards (IPSASs), an international benchmark and internationally accepted accounting and financial reporting Standards for all levels of Government including Local Bodies. Modifications are made to the IPSASs in the light of Indian conditions and keeping in view the peculiar activities of Local Bodies in India.

ASLBs set out recognition, measurement presentation and disclosure requirements dealing with transactions and events in general purpose financial statements of Local Bodies under accrual basis of accounting. ASLBs issued by the ICAI are recommendatory and will become mandatory as and when the concerned State Governments adopts them for implementation.

State of Uttarakhand is the first State to revise its Municipal Accounts Manual referring ASLBs issued by the ICAI.

Further, ASLB 2 (Cash Flow Statements), ASLB 5 (Borrowing Costs) and Guidance Note on "Accounting for Investments for Local Bodies" (that are conceptually similar to the National Municipal Accounts Manual (i.e., a prevailing accounting framework for ASLBs) have been mandated by the ICAI to comply by the members of ICAI while Auditing the Financial Statements of ULBs w.e.f. 1st April, 2022.

The Committee has completed the whole bouquet of ASLBs relevant for India comprising of 31 ASLBs (including one cash based ASLB to facilitate transition to accrual system of accounting) which are available at https://www.icai.org/post.html?post_id=1627.

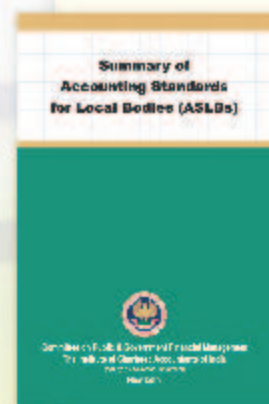
ICAI has brought out Compendium of Accounting Standards for Local Bodies that contains all ASLBs at one place.



For the ease of various stakeholders and users, the Committee has also issued publication "ASLBs - At a Glance" which covers ASLBs in simple language to enhance their outreach amongst prospective users & the concerned authorities.



Summary of Accounting Standards for Local Bodies (ASLBs) is a shortened version of the ASLBs covering mainly relevant portions of bold paragraphs of ASLBs issued by the ICAI till date along with the relevant formats that would be helpful to the users in preparation of financial statements.



Certificate Course on Public Finance & Government Accounting

About the Course

For the development of the profession and to enable the members to gain reasonable knowledge about Public Finance & Government Accounting and build up their understanding of the challenges and opportunities in this field, the Committee runs a Certificate Course on Public Finance and Government Accounting. The classes are held virtually through Digital Learning Hub (DLH) platform of ICAI on weekends only. The course intends to equip the participants with an understanding of the Economic policies of the Government, Budgets, Fiscal tools, Government Grants, Public Funds, Rules, Regulations and Accounting Systems pertaining to Government departments / Institutions of Centre, State and Local Government through case studies, lectures and dynamic peer discussions. The Contemporary curriculum and course material provides inputs required to comprehend the nitty-gritties of the Government Accounting and Public Financial Management.

Faculty

The Course enables interaction with senior government officials, ret'd. IA&AS officials, Chartered Accountants having subject specific knowledge of Public Finance & Government Accounting.



Recognition of Certificate Course

The Certificate Course has got recognition in tenders issued by Local Bodies/Government Department/Authorities in Maharashtra, Madhya Pradesh and Jammu & Kashmir. The office of C&AG has also included the said course as one of the criteria for empanelment of Chartered Accountants/ firms. On the request of various Government departments, the Committee has recently opened the Course for officials of Government Departments and Autonomous Bodies under the administrative control of a Government Ministry as well. The participants shall be awarded a "Certificate of Participation".

Modules Covered in the Course

MODULE

1

Public Finance

1. Public Finance - Meaning, Importance, Scope and Categories
2. Fiscal/Budgetary functions (Introduction)
3. Union-State-Local Governments' Fiscal Relations
4. Role of Finance Commissions
5. Fiscal Federalism



MODULE

2

Public Revenue & Taxation

1. Sources of Tax and Non-tax Revenue for Centre, States and Local Govts.
2. Efficiency and Equity in Tax Policy Design
3. Principles of Income Taxation: Classical and Neo-classical
4. Tax Policy and Tax Administration in India
5. Tax collection by Government- Union, State & Local Governments

Recommendatory Inclusions

- Best Practices adopted by the Various Developed Countries in improving the Public Revenue & Taxation.
- World Bank / IMF Guidelines to the member countries on Public Revenue & Taxation.



MODULE

3

Public Debt

1. Debt Profile of the Union Government and Debt Monetisation
2. Fiscal Deficit, Primary Deficit, Revenue and Effective Revenue Deficit
3. Fiscal & Monetary Policies and their objectives
4. Public Debt Management & Role of Finance Commission
5. Role of Fiscal Policy Towards Public Goods & Externalities

Recommendatory Inclusions

- Best Practices adopted by the Various Developed Countries in minimizing the Public Debt and Bench Marks.
- World Bank / IMF Guidelines to the member countries on: Public Debt



4 Public Expenditure

1. Public Expenditure-Meaning, Role, Canons and Classification
2. Effects of Public Expenditure on:
 - Production
 - Distribution (including subsidies)
3. Budget Cycle:
 - Planning,
 - Preparation,
 - Execution,
 - Monitoring,
 - How to interpret data from Budget document
4. Public Investment Management
5. Project Financial Structuring: Infrastructure financing, PPP, Viability Gap Funding, Bonds, Externally Funded Projects
6. General Financial Rules, 2017
7. Procurement Manual, 2017:
 - Audit of Public Procurement
 - DoE circular of 29th Oct, 2021 on General Instructions on Procurement and Project Management.
8. Delegation of Financial Power Rules (DFPRs)
9. CVC Guidelines



6 Government Accounting

1. Constitutional Provisions
2. Structure of various ministries/departments of Government of India
3. Controller General of Accounts - Hierarchy and Functions
4. Structure of Government Accounts and Flow of Funds
5. Classification of Government Accounts - Consolidated Fund, Contingency Fund and Public Accounts
6. Classification of Government expenditure in India including introduction to Chart of Accounts
7. Receipts and Expenditure and Other than Revenue – Capital (Receipts & Expenditures), Public Debt, Loans and Advances, Appropriations to the Contingency Fund.
8. Public Accounts, Banking Arrangements, Bankers to the Government
9. Consolidation of Account



MODULE

6

Accounting Rules, Process, in general & at specific Ministries

1. Study of
 - The Government Accounting Rules, 1990
 - Government of India (Transaction of Business) Rules, 1961 (introduction only)
 - The Government of India (Allocation of Business) Rules, 1961 (introduction only)
2. Flow of accounting process
3. Accounting of Work departments
4. Reference of IGAS
5. Treasury Single Accounts System and working system of treasuries
6. Role of the Pay and Accounts Office (PAO), DDOs, Principal Accounts Office
7. Compilation of Accounts
8. Duties and functions of the Secretary of Principal Accounting Authority to various Ministries/ Departments
9. Revenue Accounting in case of CBDT/CBIC



MODULE

7

Union Accounts

1. Study of the Consolidated Union Accounts prepared by the CGA
2. Study of the Annual Appropriation Accounts and Union Finance Accounts and its preparation
3. Analysis of expenditures, revenues, borrowings and the deficit



MODULE

8

State Accounts

Organisational framework, Accounting structure, Accounting classification, and Accounts compilation (Monthly and Annual) in State Governments



MODULE

9

PFM Structure - Introduction

International & National best practices



MODULE**10****Accounting/Auditing of Constitutional, Statutory, Autonomous and Regulatory Bodies**

1. Structure of the Constitutional, Statutory, Autonomous and Regulatory Bodies
2. Benefits, Rules and Regulations covering Constitutional, Statutory, Autonomous and Regulatory Bodies
3. Accounting/Auditing of Constitutional, Statutory, Autonomous and Regulatory Bodies
4. Presentation and Disclosure of the Government Grants to these bodies

**MODULE****11****Urban Local Bodies**

1. Introduction to NMAM
 - NMAM
 - National Municipal Asset Valuation Manual
 - State Municipal Accounts Manual/Rules
2. Taxation
3. Audit

MODULE**12****Panchayati Raj Institutions (PRIs)**

1. Introduction and Structure of Panchayati Raj
2. Introduction of e-gramswaraj and e-gramswaraj - PFMS Interface
3. Accounting of PRIs - Model Accounting System
4. Audit of PRIs - Guidelines for Financial Audit of PRI/ Audit Online
5. Taxation of PRIs
6. Role of MoPR



Internal Control and Risk Management

1. Internal Control Systems in Government
2. Internal Audit
3. Internal Orders issued by Individual Government Agencies.
4. Outcome Budgeting & Reporting
5. Procurement Control, Asset Controls, Cash Controls, etc.
6. Type of Audit – Role of CAG & PAC
7. Fiduciary Wide Risk Management
8. Fiscal Responsibility: Objectives, International Experience & Practices- FRBM Act
9. Contingent liability
10. Parliamentary Control



Professional Opportunities for Chartered Accountants in Government Accounting

International Prospective

1. Overview of IPSAS
2. Multilateral funding Agencies –World Bank, ADB

National Prospective

1. Commitment Control
2. PFMS
3. Externally Aided Projects
4. ULB/RLB
5. IGAS
6. IGFRS.



Self-Paced Courses

On-line Self-Paced Course on Public Finance and Government Accounting

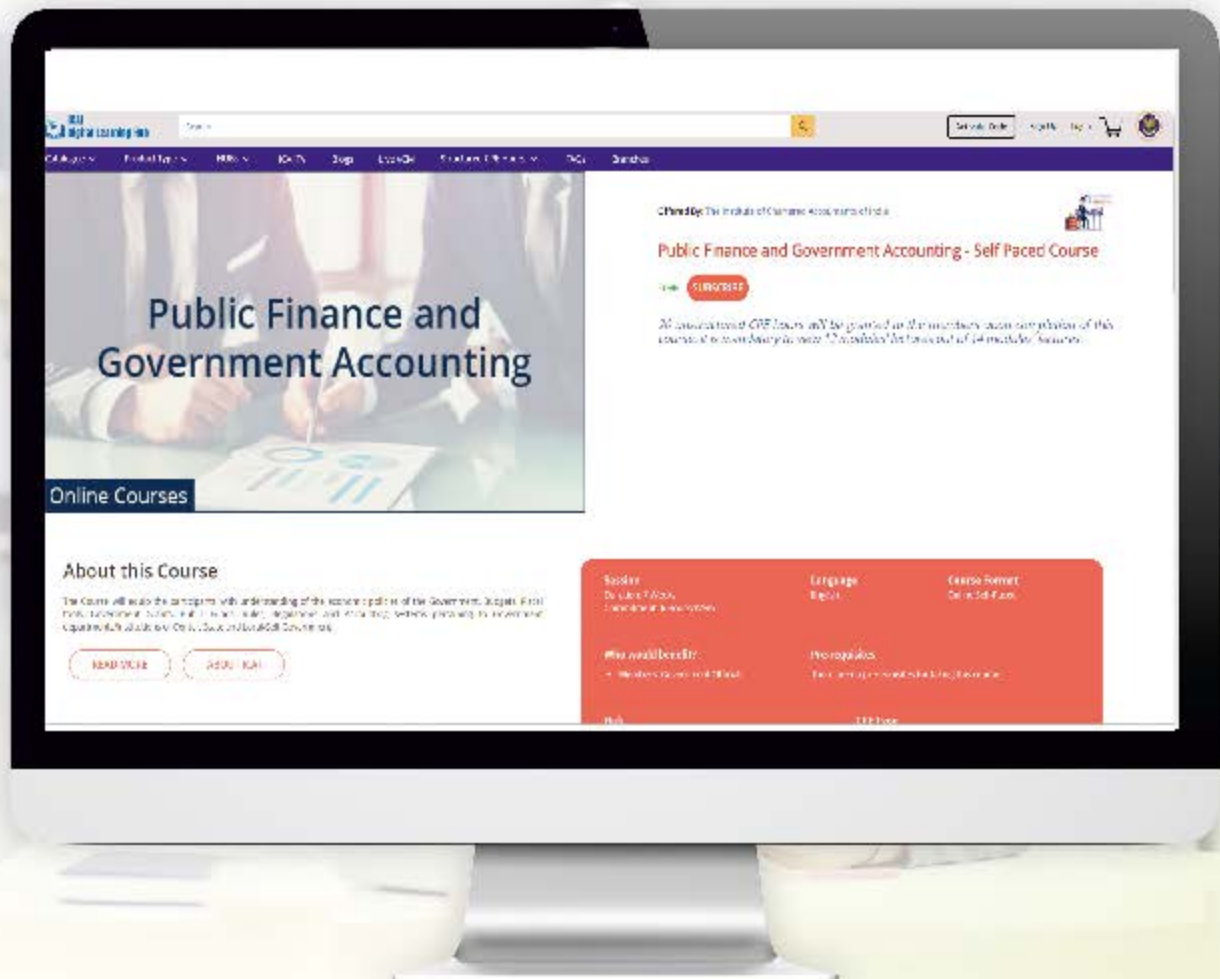
The online self-paced course on Public Finance and Government Accounting is available for free to ICAI members on DLH Platform consisting of video recordings of certificate course's lectures.

You may visit <https://learning.icai.org/committee/government-accounting/public-finance-and-government-accounting-self/> to know more about this self-paced course.

This Course equips the participants with detailed understanding of the accrual basis of accounting, i.e., when Revenue/expense/assets/liabilities to be recognised in the books of accounts.

You may visit <https://learning.icai.org/committee/skill-india/accrual-accounting/> to know more about this Course.

On-line Self-Paced Course on Accrual Accounting



Memorandum of Understandings (MoUs) / Agreements Entered

With a view to strengthen cooperation in matters of building capacity through seminars, conferences and joint activities mutually beneficial to both the parties and Improving transparency and accountability, the CPGFM has entered into following agreements/MoUs:



MoU with Office of the Comptroller & Auditor General (C&AG) of India to collaborate on accounting and auditing issues and to strengthen the accountability mechanism for good governance in local-self Governments

AUG
09
2023



Agreement with PMU-UJPFMS (Project Management Unit - Uttarakhand Public Financial Management Strengthening Project) to Impart Trainings to 200+ Accounts Staff of Urban Local Bodies (ULBs) of Uttarakhand (four batches of 10 days) jointly with Urban Development Directorate (UDD), Uttarakhand. Copies of agreement were exchanged in the presence of Hon'ble Urban Development and Finance Minister of Govt. of Uttarakhand.

JULY
07
2022



MoU with Treasurer and Accounts Department, Government of Tamil Nadu (GoTN) for knowledge transfer, skill development of their officers in the august presence of Hon'ble Finance and Human Resource Management Minister, Government of Tamil Nadu. Trainings are being organised from time to time in pursuance of the MoU.

DEC
20
2022



MoU with National Institute of Rural Development and Panchayati Raj (NIRD&PR), Hyderabad to collaborate for strengthening accounting and auditing of panchayats.

MAR
24
2022

Short Videos Developed by the Committee

The Committee got developed short videos on the following and made them available on ICAI at <https://www.icaai.org/post/videos-CPFGM> & Committee's website as well as DLH Platform of ICAI:



Activities of Committee on Public and Government Financial Management

Activities of Committee on Public and Government Financial Management



Opportunities for Chartered Accountants in Local Bodies

Opportunities for Chartered Accountants in Local Bodies



Applicability of Accounting Standards in Local Bodies

Applicability of Accounting Standards in Local Bodies



Overview of Government Accounting

Overview of Government Accounting



Municipal Bonds for an Atmanirbhar Urban India

Municipal Bonds for an Atmanirbhar Urban India

Training Programmes Organised

The Committee Organised the following Training Programmes

S. No.	Date	Topic	Organised for the Officials of	Mode of Learning / Venue	Image
Trainings for ULBs					
1.	<p>Batch 1 August 1-7, 2023</p> <p>Batch 2 August 8-14, 2023</p>	2 batches of Five days' Training programme on 'Implementation of Double Entry Accrual Accounting System' in Marathi language jointly with Directorate of Municipal Administration, Maharashtra.	Staff of Municipal Councils and Nagar Panchayats, Maharashtra.	Virtual	
2.	<p>Batch I July 18-27, 2023</p> <p>Batch II August 1-11, 2023</p> <p>Batch III August 16-25, 2023</p> <p>Batch IV Sep 11-21, 2023</p>	Accrual Based Double Entry Accounting System and Uttarakhand Municipal Accounting Manual (UMAM), 2021	Newly recruited and existing Account Staffs of Urban Local Bodies (ULBs) of Uttarakhand	Centre for training and research in financial administration (CTRFA), Sudhowala, Dehradun, Uttarakhand	
3.	May 24 - 25, 2023	Financial Transparency & Accountability in Urban Local Bodies	Municipal Affairs Department, Kohima, Nagaland	Conference Hall, Hotel De-Oriental Grand, Kohima	

S. No.	Date	Topic	Organised for the Officials of	Mode of Learning / Venue
4.	February 24, 2023	Municipal Bonds	ULBs of Rajasthan	Virtual
5.	November 23 - 24, 2022	Implementation of Double Entry Accrual System of Accounting and Financial Management Reforms in ULBs	ULBs of Tripura	Virtual
6.	June 9 - 10, 2022	Financial Transparency and Accountability in ULBs	ULBs of Punjab	Virtual

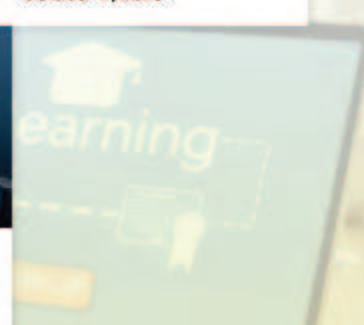
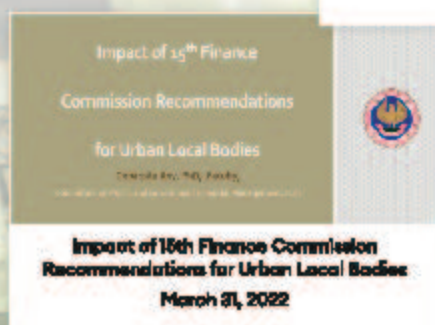
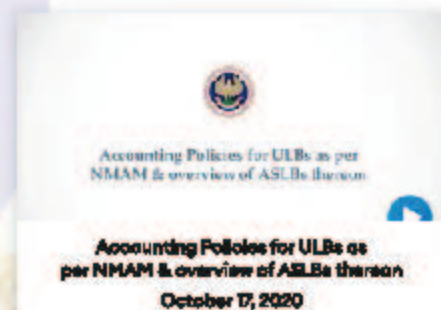
Other Trainings

S. No.	Date	Topic	Organised for the Officials of	Mode of Learning / Venue
7.	July 17-19, 2023	3 days Capacity Building Programme on GST & Income Tax jointly with the GST & Indirect Taxes Committee and Direct Taxes Committee	Accounts Officers and Assistant Accounts Officers of Treasuries and Accounts Department, GoTN	Hotel Grand, Chennai
8.	May 9 - 16, 2023 (Batch III);	Six days Capacity Building Programme on Accounting in ICT environment in 3 Batches	Treasury Accounts & Finance Department, GoTN	Premises of SIRC of ICAI, Chennai
9.	May 2 - 8, 2023 (Batch II); and			
10.	February 1 - 7, 2023 (excluding Sunday's in all batches) (Batch I)			
11.	January 30 & 31, 2023	Capacity Building Programme on GST		Hyatt Regency, Chennai
12.	December 22 & 23, 2022	Capacity Building Programme on GST		Taj Coromandal Hotel, Chennai
13.	November 5, 12 & 26, 2022	Provisions of GST applicable to CMWSSB	Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB)	Premises of SIRC of ICAI
14.	December 3 & 10, 2022	Provisions of Direct Tax		
15.	December 17 & 24, 2022	Accounting Standard applicable to CMWSSB		

E-Learning Lectures

The Committee has created a repository of e-learning lectures pertaining specifically to Local Bodies in India. As on date, following e-lectures have been made available at https://icaitv.com/category.php?cat_id=21 and the list is growing every passing month:

S. No.	Topic	Presenter
1.	Applicability of Income Tax and Goods and Service Tax in Local Bodies: Status and Compliance Requirements	CA. Sumitabha Ray
2.	How Cities Can Become Atam Nirbhar	CA. Pankaj Goel
3.	Preparation of Opening Balance Sheet & procedure for closing of first financial statements of the Urban Local Bodies (ULBs)	CA. Jayant Gokhale
4.	Preparation of Final Accounts under Accrual basis of Accounting	CA. Roopin Patel
5.	Transitioning from Cash to Accrual Accounting: Issues, Procedures and Steps	CA. (Dr.) R S Murali
6.	Experience of Vadodara Municipal Corporation - Conversion of accounts from cash to accrual basis of accounting	Dr. Ravikant Joshi
7.	Accounting Policies for ULBs as per National Municipal Accounts Manual (NMAM) & Overview of Accounting Standards for Local Bodies (ASLBs) thereon	CA. Roopin Patel
8.	Valuation and Accounting for Fixed Assets and Liabilities under accrual basis of accounting	CA. Sanjoy Gupta
9.	Reforming Property Tax System in ULBs	Shri Ram Khandelwal
10.	Effective Utilisation of 15 th Finance Commission grants by Panchayat Raj Institutions (PRIs)	Mr. Mohd. Taqiuddin
11.	Impact of 15 th Finance Commission Recommendations for Urban Local Bodies	Dr. Debarpita Roy



Webinars/Virtual CPE Meetings

The Committee organises webinars/virtual CPE meetings (VCMs), which are available at https://fca.gov.in/category.php?cat_id=22.

Following Webinars/VCMs were organised by the Committee in the recent past:

S. No.	Theme	Date
1.	Self-Sufficient and Self-Sustainable Municipal Bodies in India	August 4, 2023
2.	Auditing Local Bodies in IT environment	July 19, 2023
3.	Introduction to Cash basis IPSAS: Path towards accounting reforms	July 3, 2023
4.	Insights of Public Debt	June 14, 2023
5.	Accounting & Auditing in PRIs	June 10, 2023
6.	Recommendations of the Research Study on "Transition to Accrual Accounting: Models and Learnings for Urban Local Bodies"	May 29, 2023
7.	Insights of Public Finance	May 3, 2023
8.	Professional Opportunities for Chartered Accountants in Public Finance & Government Accounting	December 29, 2022
9.	How Transparency In Accounting/Auditing can help Government with tough decisions, specially post COVID-19	December 27, 2022
10.	E-gramswaraj: Accounting and Auditing of Panchayats	November 16, 2022
11.	Use of Digital Technologies in Enhancing Transparency & Accountability in Government Financial Reporting & Management	September 20, 2022
12.	Applicability of Accounting Standards in Local Bodies	August 3, 2022
13.	Local Government Taxation Matters: Status and Compliances (Part II)	July 29, 2022
14.	Audit of Welfare Schemes of the Government	July 26, 2022
15.	Local Government Taxation Matters: Status and Compliances (Part I)	July 8, 2022
16.	Innovative Financing Strategies for Urban Local Bodies	May 16, 2022
17.	Mandates for CAs working for Local Bodies	April 19, 2022
18.	Making Urban Local Bodies self-reliant and self-sustainable	March 22, 2022
19.	Good Governance System in Government-Transparency & Accountability in Government Financial Reporting & Management	February 23, 2022

20.	Financial Management of Welfare Schemes of the Government, Focusing on Rural Development	August 23-27, 2021
21.	Audit, Tally & Reconciliation and Double Entry Accounting System	June 5, 2021
22.	E-Panchayat and Role of Professionals	May 14, 2021
23.	Opportunities in Public Financial Management	January 29, 2021
24.	Resurgent Chhattisgarh 2.0 (Accountability, Transparency & Investment Environment)	November 27, 2020
25.	Professional Opportunities for Chartered Accountants in Local Bodies	October 10, 2020
26.	Internal Audit and Internal Audit Standards for officials of Assam PSEs department	September 29, 2020
27.	Roadmap for Financially Sustainable Cities in India	September 10, 2020
28.	Resurgent Chhattisgarh - Accountability, Transparency & Investment Environment	June 28, 2020
29.	Assignments by Asian Development Bank (ADB): Requirements and Expectations	May 29, 2020
30.	Government Schemes for Urban & Rural Centres and Role of Chartered Accountants (CAs) therein	May 10, 2020

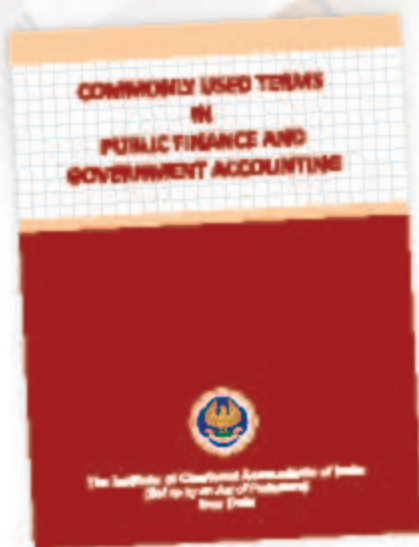


Publications

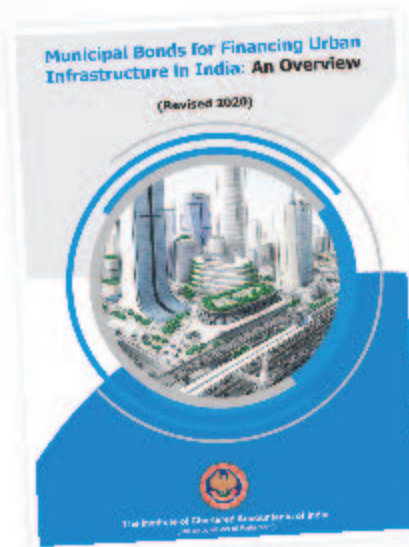
The Committee has also issued the following publications, which are available at <https://www.icaai.org/post/icaai-publications-cpgfm>.



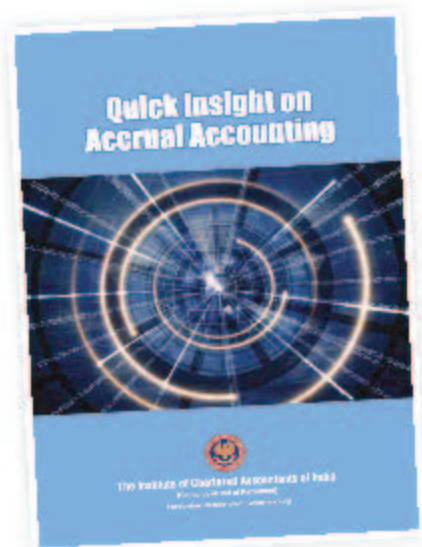
Role of Professional Accountants in PFM



Revised edition "Commonly used terms in Public Finance and Government Accounting" (2022)



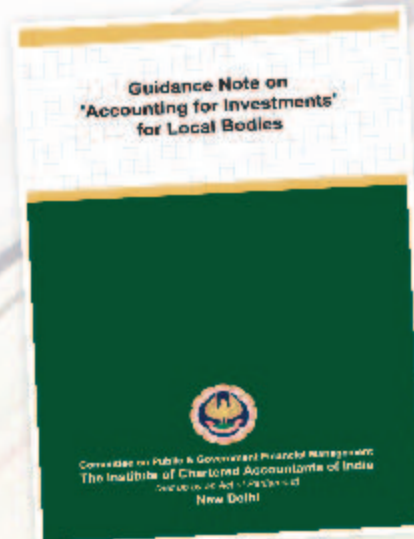
Municipal Bonds for Financing Urban Infrastructure



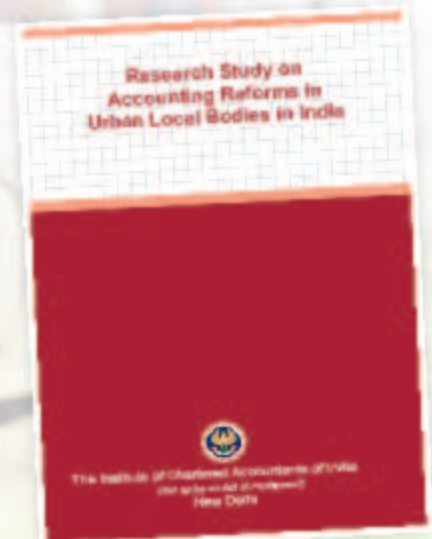
Quick Insight on Accrual Accounting (2018)



Transition to Accrual Accounting: Models and Learnings for Urban Local Bodies (2023)



Guidance Note on Accounting for Investments for Local Bodies (2022)



Booklet on "Research Study on Accounting Reforms in Urban Local Bodies in India" (2019)

Helping the Government

- The Committee is providing technical assistance to O/o C&AG for their project of adaption of Cash basis International Public Sector Accounting Standard (IPSAS) in Government Accounts. In this regard, a Joint Committee was constituted by the O/o C&AG including the representatives of ICAI and few meeting have also been held.
- The Committee is also providing support to O/o C&AG to improve accounting and auditing in panchayats/ municipal bodies in India.
- The project of study of existing accounting and auditing system of panchayats of Rajasthan has also been initiated to organise customised trainings for panchayats of Rajasthan.
- MoHUA requested ICAI for the engagement of CPGFM to transform financial reporting of ULBs in India to evolve a framework for quality assessment of audited and unaudited annual accounts and identify specific observations and recommendations to improve the quality, to explore other methods to automate the standardization of audited annual accounts and fast track the application of ASLBs in the audited annual accounts of ULBs.



International Presence

ICAI through CPGFM also submitted the comments on International Public Sector Accounting Standards Board (IPSASB) on the following documents/drafts:

- Exposure Draft 81, Conceptual Framework Update: Chapter 3, Qualitative Characteristics and Chapter 5, Elements in Financial Statements
- Exposure Draft 82, Retirement Benefit Plans
- Consultation Paper (CP) on Advancing Public Sector Sustainability Reporting
- Consultation Paper on 'Natural Resources'
- Exposure Draft 83, Reporting Sustainability Program Information - RPGs 1 and 3: Additional Non-Authoritative Guidance
- Exposure Draft 84, Concessionary Leases And Right-Of Use Assets In-Kind (Amendments To IPSAS 43 And IPSAS 23)



Areas Where ICAI Can Contribute

Amendment in Municipal Act/ other Relevant Laws

Under the accounting reforms, accrual accounting implementation by ULBs has been linked with availing grants released by Central Government.

However, it has been observed that Municipal Acts of various States does not support implementation of accrual basis of accounting. Consequently, most of the Local Bodies may not be able to get the benefit of grants. Apart from availing grants, the accounting reforms should be implemented in view of the benefits and value addition, they are expected to bring to the existing financial reporting practices of ULBs.

Therefore, for smooth adoption of accrual accounting in Local Bodies, there is a requirement to amend the existing relevant municipal and other relevant Statutes.

Project to Study Impact of Implementation of Accounting Standards for Local Bodies (ASLBs) on Financial Statements (Prepared on accrual basis) of Local Bodies

As many ULBs are maintaining accounts on accrual basis, as a next improvement/ standardization measure, it is proposed to initiate a project to study the impact of the implementation of ASLBs on Financial Statements of Local Bodies and how the same helps in raising transparency, accountability and comparability.

Empanelment of CAs for Maintenance of Accounts

To transform India into a digitally empowered society and knowledge economy, various digital revolutions have taken place at Government level including gross root level (Local Bodies). However, availability of skilled manpower remains a hurdle. Therefore, till the time the capacity building exercise bore its fruits, it is suggested that to sustain the reforms, Chartered Accountants/ firms thereof may be considered to be engaged for various consultancy, MIS accounting and other related assignments. For the same, Professional Development Committee of the ICAI prepares a multipurpose panel of Chartered Accountant/ firms spread across the Country, which is used by various authorities/ regulators like Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Securities and Exchange Board of India (SEBI), Central Bureau of Investigation (CBI), Cooperatives, Public & Private Sector Banks, various Government organisations etc. across the Country as per their requirement for maintenance of their accounts, audit and various assignments.





The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Committee on Public & Government Financial Management

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